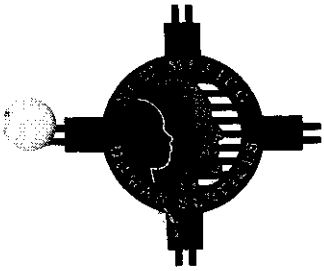


NEW MEXICO HUMAN SERVICES DEPARTMENT

P.O. Box 2348 Santa Fe, NM 87504-2348

Medical Assistance Division
Phone: 505-827-3100



Bill Richardson
Governor

Pamela S. Hyde
Secretary

June 16, 2004

Mark B. McClellan, M.D., Ph.D.
Centers for Medicare & Medicaid Services
Mail Stop S2-01-16
7500 Security Boulevard
Baltimore, MD 21244

Dear Mr. McClellan:

This responds to your letter of June 14, 2004 in which you informed us that our request to renew New Mexico's title XXI section 1115 demonstration project (project number 11-W-0012416) had been approved. This extension is subject to our written acceptance.

We thank you and Centers for Medicare & Medicaid Services staff for your favorable consideration of our section 1115 demonstration extension request. This approval allows New Mexico to continue its State Children's Health Insurance Program (SCHIP).

This letter is New Mexico's official acceptance of the 1115 extension and our assurance of compliance with the general as well as the special terms and conditions as set forth in the award letter. New Mexico will submit a formal research plan for review within the 120 days allotted, as well as meet encounter data requirements, general reporting requirements, and budget neutrality. We look forward to our continued work with the Centers for Medicare and Medicaid Services.

Please address any questions to Joey Kellenaers at (505) 827-6208.

Sincerely

for Carolyn Ingram
Director

CI/jk

cc: Stacey Green, Centers for Medicare & Medicaid Services
Andrew Fredrickson, Associate Regional Administrator, Centers for Medicare & Medicaid Services, Dallas Regional Office

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